

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

| | | |
|------------------------------|---|-------------------------|
| IN RE: |) | |
| |) | |
| INTERNATIONAL HERITAGE, INC. |) | CASE NO. 98-02675-5-JRL |
| |) | CHAPTER 7 |
| |) | |
| |) | |
| Debtor. |) | |

TRUSTEE'S FINAL REPORT AND PROPOSED DISTRIBUTION

The petition commencing this case was filed on November 25, 1998, and the undersigned was appointed trustee on November 26, 1998. All property of the estate, except that allowed as exempt to the debtor(s), has been inventoried, collected, liquidated or abandoned. Any property not heretofore abandoned by the trustee is scheduled on Form I, attached hereto, to be abandoned at the closing of this estate. Form 2 is attached hereto in order to reflect the receipts and disbursements made during the period of July 1, 2010 through 12/3/10. All other receipts and disbursements can be reviewed on the Court's Docket filed as Trustee's Interim Reports. All claims have been examined and objections have been ruled upon by the Court. Applications for approval of compensation and expenses of professional persons, except the trustee and the attorney for the trustee and accountant, have been ruled upon by the Court.

A. Receipts (See attached summary of receipts and Form I)

| Payor | Description | Amount |
|-------------------------|-----------------------|-------------|
| Wood & Francis | Receivable | \$11,000.00 |
| Kristina Sunness | Receivable | \$38.05 |
| Judy Farmer | Receivable | \$36.36 |
| M. Patrick Murphy | Receivable | \$13.55 |
| Unum Life Insurance | Receivable | \$15.37 |
| Hongcai Zheng | Receivable | \$31.00 |
| Pauline Eppink | Receivable | \$14.60 |
| Sharon Comeaux | Receivable | \$413.00 |
| American Media | Receivable | \$457.68 |
| Centura Bank | Debtor's bank account | \$22,247.88 |
| Wood & Frances | Debtor's bank account | \$1,168.72 |
| Wood & Frances | Debtor's bank account | \$2,520.39 |
| Brent Wood | Debtor's bank account | \$500.00 |
| Ada M. Powell | Payment on judgment | \$600.00 |
| Jeffrey C. Cloyd | Payment on judgment | \$4,700.00 |
| Ethel Whitaker | Payment on judgment | \$200.00 |
| Wood & Frances | Payment on judgment | \$886.68 |
| Clerk of Superior Court | Payment on judgment | \$2,500.00 |

| | | |
|---------------------------|---|----------------|
| U. S. Postage Service | Postage refund | \$7,292.15 |
| Symmetry Corporation | Purchase of IHI representatives database | \$15,000.00 |
| Dynamic Essentials | Purchase of golf logo | \$500.00 |
| IRS | Income tax refund | \$237.49 |
| State of Oklahoma | Income tax refund | \$500.00 |
| Delta Airlines | Refunds (u) | \$1,031.38 |
| West Group | Refunds (u) | \$498.47 |
| Great Tribune | Refunds (u) | \$56.06 |
| Jefferson Pilot Insurance | Refunds (u) | \$226.22 |
| Centura Bank | Merchant card refund | \$955.93 |
| Williams Auction Company | Auction proceeds | \$22,635.00 |
| Executive Risk Indemnity | Litigation settlement | \$1,787,500.00 |
| Erie Insurance Group | Litigation settlement | \$60,000.00 |
| Clerk of Superior Court | Bond settlement Litigation | \$7,500.00 |
| Glaxo Wellcome ECU | Settlement Peterson judg (u) | \$17,332.99 |
| U. S. Treasury | SEC settlement | \$4,175,000.00 |
| U. S. Court | SEC settlement | \$50,000.00 |
| U. S. District Court | SEC settlement | \$65,308.30 |
| Holmes P. Harden | SEC settlement | \$25,000.00 |
| Preference recoveries | See attached Exhibit A spreadsheet for collections | \$494,884.27 |
| World Com | Refund (u) | \$5249.86 |
| Bank of America | Interest | \$465,739.96 |
| AT&T | Refund on prepaid telephone service (non-compensable) | 33.53 |
| Total | | \$7,249,824.89 |

| | |
|---------------------|----------------|
| Total Receipts | \$7,249,824.89 |
| Total Disbursements | \$5,634,430.04 |
| Balance on hand | \$1,615,394.85 |

PROPOSED DISTRIBUTION

A. COST OF ADMINISTRATION UNDER CHAPTER 7 [503(b) AND 507(a)]:
Super Priority (§ 364 credit) previously paid:

| | |
|--|----------------|
| | <u>Amount</u> |
| Payments from 1 st distribution of SEC settlement funds | \$3,001,402.20 |
| Payments from 2 nd distribution of SEC settlement funds | \$861,878.47 |
| Total | \$3,863,280.67 |
| Total SEC settlement distribution previously paid: | \$3,863,280.67 |

B. Costs of Administration Under Chapter 7 [§503(b) and 507(a)] previously paid:

| <u>Payee</u> | <u>Nature of Disbursement</u> | <u>Amount</u> |
|-------------------------------|-------------------------------|----------------|
| Holmes P. Harden, Trustee | Trustee Interim Commissions | \$183,583.04 |
| Maupin Taylor/Williams Mullen | Trustee Interim Attorney Fees | \$528,726.09 |
| Adams Martin, CPA's | Accountant Interim Fees | \$58,699.90 |
| Williams Auction Company | Auctioneer fees & expenses | \$3,401.50 |
| Lewis & Roberts | Attorney fees | \$478,621.00 |
| Nicholls & Crampton | Attorney fees | \$158,460.00 |
| Smith Debnam | Debtor's attorney fees | \$19,908.50 |
| Jean Boyles | Attorney fees | \$8,623.00 |
| William Janvier | Attorney fees | \$7,290.00 |
| Lloyd T. Whitaker | Consultant fees | \$10,886.69 |
| Kilpatrick Stockton | Attorney fees | \$5,393.66 |
| Jacqueline Clare | Mediator fees | \$1,166.66 |
| Poorman Douglas | Consultant fees | \$21,637.50 |
| Total | | \$1,486,397.54 |

Total Costs of Administration Under Chapter 7 [§503(b) and 507(a)] paid: \$1,486,397.54

Other Expenses of Administration [§ 503(b)] previously paid:

| <u>Payee</u> | <u>Nature of Disbursement</u> | <u>Amount</u> |
|-------------------------------|---|---------------|
| Holmes P. Harden | Trustee interim expenses | \$17,241.21 |
| Maupin Taylor/Williams Mullen | Attorney interim expenses | \$935.33 |
| Adams Martin | Accountant Interim expenses | \$3,156.47 |
| Lewis & Roberts | Attorney expenses | \$3,602.59 |
| Nicholls & Crampton | Attorney expenses | \$6,604.74 |
| Smith Debnam | Attorney expenses | \$1,790.57 |
| Jean Boyles | Attorney expenses | \$65.68 |
| William Janvier | Attorney expenses | \$155.98 |
| Poorman Douglas | Consultant expenses | \$215.61 |
| U. S. Bankruptcy Court | Judgment filing fee | \$40.00 |
| Hewlett Packard | Y2 compliance | \$5,800.00 |
| Bellsouth | Telephone service | \$233.30 |
| AT&T | Telephone service (overpaid and refunded \$33.53) | \$24,738.23 |
| Safeguard Business Systems | Envelopes for 1099's | \$365.97 |
| Business Communication | Computer wiring & telephone installation | \$115.00 |
| Paychecks | Employee W-2's | \$784.50 |
| U. S. Bankruptcy Court | Special charges | \$13,800.00 |
| U. S. Post Master | Post office box rent | \$680.00 |
| U. S. District Court | Filing fee | \$9.50 |
| Mamie Currin | Court reporting services | \$1,204.00 |
| International Sureties | Trustee bond | \$60,940.50 |
| Contract employment | Individuals were hired on an hourly rate and the trustee possesses documentation to support each contracted | \$72,258.80 |

| | | |
|-------------------------|---|--------------|
| | individual that can be made available upon request | |
| Highwoods Service | Electrical wiring for computer | \$341.00 |
| Cabiner International | Video conferencing 341 meeting | \$1,443.82 |
| InfoStor/Recall | Storage and destruction of records; moving records to Federal Building | \$33,853.86 |
| Shanda B. Vaughn | Refund for service charge at bank | \$5.00 |
| EPIQ | Printing and mailing objections and orders; printing and mailing checks for distributions | \$26,563.92 |
| Printing Plus | Administrative rent for storage and auction site | \$6,500.00 |
| Compunet Technologies | Consulting for Great Plains software program | \$1,206.25 |
| Triangle Communications | Cleaning services after auction | \$100.00 |
| Total | | \$284,751.83 |

Total Other Expenses of Administration [§ 503(b)] previously paid: \$284,751.83
 Total Chapter 7 Costs of Administration previously paid: \$5,634,430.04

Costs of Administration Under Chapter 7 [§503(b) and 507(a)] to be paid:

| Payee | Nature of Disbursement | Amount |
|---------------------------|------------------------|-------------|
| Holmes P. Harden, Trustee | Trustee's Commission | \$57,160.70 |
| Williams Mullen | Attorney Fees | \$25,064.00 |
| Adams Martin | Accountant Fees | \$16,052.00 |
| Total | | \$98,276.70 |

Other Expenses of Administration [§ 503(b)] to be paid:

| Payee | Nature of Disbursement | Amount |
|---------------------------|--------------------------------------|------------|
| Holmes P. Harden, Trustee | Trustee Expenses | \$1,749.25 |
| Williams Mullen | Attorney Expenses | \$.40 |
| Adams Martin | Accountant Expenses | \$693.63 |
| EPIQ | Costs of printing and mailing checks | \$2,200.00 |
| Total | | \$4,643.28 |

Total Chapter 7 Costs of Administration to be paid: \$102,919.98

C. COSTS OF ADMINISTRATION UNDER CHAPTER 11 [503(b) AND 726(b)]:

Unpaid Chapter 11 Costs of Administration [503(b) and 726(b)]:

| | | |
|--------------|-------------------------------|---------------|
| <u>Payee</u> | <u>Nature of Disbursement</u> | <u>Amount</u> |
| None | | \$0.00 |

Chapter 11 Cost of Administration previously paid by the undersigned trustee [503(b) and 726(b)]:

| <u>Payee</u> | <u>Nature of Disbursement</u> | <u>Amount</u> |
|--------------|-------------------------------|---------------|
| None | | \$0.00 |

| | |
|---|--------|
| TOTAL COSTS OF ADMINISTRATION UNDER CHAPTER 11: | \$0.00 |
|---|--------|

D. SECURED PAYMENTS [§ 363, 364(c) (2), 364(c) (3)]:

| <u>Payee</u> | <u>Nature of Disbursement</u> | <u>Amount</u> |
|--------------|-------------------------------|---------------|
| None | | \$0.00 |

| | |
|-------------------------|--------|
| TOTAL SECURED PAYMENTS: | \$0.00 |
|-------------------------|--------|

E. PRIORITY PAYMENTS [507(a)]:

| <u>Payee</u> | <u>% to be paid</u> | <u>Amount</u> |
|------------------------------------|---------------------|----------------|
| See attached Spreadsheet Exhibit C | .53197179 | \$1,512,474.87 |

| | |
|--------------------------|----------------|
| TOTAL PRIORITY PAYMENTS: | \$1,512,474.87 |
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|-------------------------------------|--------|
| F. UNSECURED PAYMENTS [726(a) (2)]: | \$0.00 |
|-------------------------------------|--------|

| | |
|--------------------|--------|
| G. OTHER PAYMENTS: | \$0.00 |
|--------------------|--------|

DISCLAIMER: Actual distribution to creditors in this case is dependent on the court's ruling on administrative expenses. Creditors may expect to receive at least the amount reflected herein.

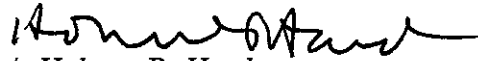
Applications for compensation and reimbursement of expenses for which Court approval is sought are as follows:

| <u>APPLICANT</u> | <u>COMMISSIONS/FEES</u> | <u>EXPENSES</u> |
|----------------------------|-------------------------|-----------------|
| Holmes P. Harden, Trustee | \$57,160.70 | \$1,749.25 |
| Williams Mullen, Trustee | \$25,064.00 | \$.40 |
| Attorney | | |
| Adams Martin & Associates, | \$16,052.00 | \$693.63 |
| Trustee Accountant | | |
| EPIQ | | \$2,200.00 |

The net proceeds realized by this estate exceed \$1,500 and a summary of this final report is required to be noticed out pursuant to the certificate of service.

Wherefore, on the basis of the above report and the schedules and exhibits thereunto annexed, the undersigned trustee prays that this statement be approved and confirmed as the final report, and that the request for trustee's commission and reimbursement of expenses be granted after opportunity for notice and hearing.

DATED: December 6, 2010



s/s Holmes P. Harden

HOLMES P. HARDEN
N.C. State Bar No. 9835
Post Office Box 1000
RALEIGH, NC 27602
(919) 981-4000

INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|---|---------------|------------|------------------|--|-------------|
| 2021 INTERACTIVE, LLC | \$164,121.75* | 11-20-00 | S-00-00247-5-AP | *SETTLED * POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 1,300.00 |
| ACKEL, BARRY d/b/a ACME HOLDINGS and ACKEL, BARRY and ACKEL, BARRY d/b/a INSURANCE INVESTMENTS | \$469,620.00* | 11-15-00 | S-00-00216-5-ATS | DEFAULT JUDGMENT 2-12-01 \$469,620.00 + costs (Motion to Set Aside Judgment DENIED) | \$ 0.00 |
| ACT ELECTRIC, INC. | \$1,853.76 | 11-07-00 | S-00-00183-5-ATS | DEFAULT JUDGMENT 2-12-01 *Judgment Satisfied* POC sent | \$ 2,003.76 |
| ALLEN, HARRIS, SHAW | \$1,543.55 | 11-14-00 | S-00-00213-5-ATS | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 1,157.66 |
| ALPHA OMEGA CONSTRUCTION CORPORATION | \$26,214.83 | 11-8-00 | S-00-00191-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 8-10-01 | \$ 500.00 |
| AUDIO VISUAL SERVICES CORPORATION d/b/a CARIBENER INTERNATIONAL, INC. and CARIBNER AUDIO VISUAL SERVICES, INC. and CARIBNER INTERNATIONAL, INC. | \$20,597.59 | 11-21-00 | S-00-00263-5-ATS | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 5,000.00 |
| BEDFORD FREIGHT LINES, INC. | \$5,816.89 | 11-17-00 | S-00-00208-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 4,362.66 |
| BISBEY, GARY | \$1,961.00 | 11-17-00 | S-00-00235-5-AP | DISMISSED 3-26-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| BLESSINGS ABOUND, INC. | \$1,643.00 | 11-13-00 | S-00-00204-5-AP | DEFAULT JUDGMENT 4-2-01 \$1,643.00 + costs | \$ 0.00 |
| BNY, CHARLOTTE, INC. and BNY FINANCIAL CORPORATION (DISMISSED as to BNY, Charlotte, Inc. 1-9- 01) | \$3,237.90 | 11-13-00 | S-00-00192-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 1,000.00 |

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EXHIBIT

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INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|---|--------------|------------|-----------------|--|--------------|
| BROTHERS, DEE | \$234,022.22 | 11-20-00 | S-00-00243-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 5,000.00 |
| BROTHERS, JOHN | \$622,728.07 | 11-20-00 | S-00-00245-5-AP | *Settled for consent judgment* | \$5,000.00 |
| BROWN, MCLEOD & JOHNSON, CPAS, P.A. /B/A ELLERS, JONES BROWN & MCLEOD, CPAS, P.A. | \$212,067.49 | 11-15-00 | S-00-00215-5-AP | SETTLED, POC sent Order Approving Compromise & Settlement entered 10-11-01 | \$ 25,000.00 |
| CAROLINA HURRICANES FOUNDATION, INC. | \$9,070.00 | 11-13-00 | S-00-00194-5-AP | DISMISSED 2-14-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| CHALMERS, ROBERT | \$76,409.62 | 11-22-00 | S-00-00266-5-AP | DISMISSED 5/1/01 Order Approving Compromise & Settlement by Dismissal entered 6-25-01 | \$ 0.00 |
| CITIZEN WATCH COMPANY OF AMERICA, INC. | \$69,933.32 | 11-13-00 | S-00-00207-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 35,000.00 |
| COLORADO, EDMUNDO and LISA COLORADO | \$65,000 | 11-13-00 | S-00-00193-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 7,500.00 |
| CONEXUS, LTD. | \$61,100.00 | 11-13-00 | S-00-00200-5-AP | DEFAULT JUDGMENT 4-2-01 \$6,100.00 + costs | \$ 0.00 |
| COSMETECH INTERNATIONAL, INC. | \$3,000.00 | 11-21-00 | S-00-00264-5-AP | STIPULATION OF VOLUNTARY DISMISSAL filed 2-16-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| CVN, INC. | \$4,477.00 | 11-17-00 | S-00-00229-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 2,500.00 |
| DANIEL, JOHN | \$6,990.08 | 11-17-00 | S-00-00237-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 6-25-01 | \$ 1,500.00 |

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INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|--|--------------|------------|-----------------|---|--------------|
| DECHERT v/a DECHERT PRICE & RHOADS | \$140,471.79 | 11-16-00 | S-00-00225-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 12-6-01 | \$ 22,207.00 |
| DFM INVESTMENTS, INC. | \$7,801.78 | 11-20-00 | S-00-00235-5-AP | DEFAULT JUDGMENT 5-9-01 \$7,801.78 + costs | \$ 0.00 |
| DMAX IMAGING INCORPORATED | \$4,528.23 | 11-15-00 | S-00-00221-5-AP | *SETTLED* Defendant filed bankruptcy | \$ 0.00 |
| DUFFIE, JACK | \$32,439.06 | 11-15-00 | S-00-00220-5-AP | DISMISSED 3-21-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| EBH DISTRIBUTORS, LLC | \$100,455.00 | 11-17-00 | S-00-00238-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 8-10-01 | \$ 3,750.00 |
| EBSCO INDUSTRIES, INC. d/b/a VULCAN BINDER & COVER | \$15,000.00 | 11-15-00 | S-00-00222-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 8-10-01 | \$ 11,250.00 |
| ECKENROTH, BVONNE | \$82,310.68 | 11-17-00 | S-00-00231-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$7,500.00 |
| EDINBURGH CRYSTAL GLASS COMPANY, LIMITED d/b/a EDINBURGH CRYSTAL | \$7,522.35 | 11-20-00 | S-00-00250-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 6-25-01 | \$ 1,000.00 |
| EGW PERSONNEL SERVICES, INC. | \$7,522.35 | 11-7-00 | S-00-00179-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 6-25-01 | \$ 4,489.36 |
| ELBOD, DEANNE | \$1,643.00 | 11-16-00 | S-00-00228-5-AP | DEFAULT JUDGMENT 4-2-01 \$1,643.00 + costs | \$ 0.00 |
| EMERALD JEWELRY, INC. | \$7,785.50 | 11-14-00 | S-00-00214-5-AP | DEFAULT JUDGMENT 4-2-01 \$7,785.50 + costs | \$ 0.00 |
| ENTERPRISE MANAGEMENT GROUP, INC. | \$1,378.00 | 11-8-00 | S-00-00195-5-AP | CASE DISMISSED 1-12-00 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |

INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|---|---------------|------------|------------------|--|--------------|
| EPLBY ASSOCIATES, INC. | \$25,793.32 | 11-16-00 | S-00-00227-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 14,000.00 |
| ETIENNE AIGNER, INC. | \$3,818.79 | 11-13-00 | S-00-00202-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 2,238.27 |
| FORRESTER-SMITH, INC. | \$10,372.50 | 11-7-00 | S-00-00176-5-ATS | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 7,500.00 |
| FYI WORLDWIDE, INC. | \$29,802.24 | 11-7-00 | S-00-00178-5-ATS | DEFAULT JUDGMENT 4-2-01 | \$ 0.00 |
| GES EXPOSITION SERVICES, INC. | \$1,480.81 | 11-20-00 | S-00-00253-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 1,184.33 |
| GOCKE, JOHN INC. | \$30,115.00 | 11-7-00 | S-00-00181-5-ATS | DEFAULT JUDGMENT 4-2-01 \$30,115.00 + costs | \$ 0.00 |
| GOLF-TECHNOLOGY HOLDING, INC. | \$4,719.00 | 11-7-00 | S-00-00174-5-ATS | DEFAULT JUDGMENT 4-2-01 \$4,719.00 + costs | \$ 0.00 |
| GOOD HEAVENS COMPANY | \$2,756.00 | 11-22-00 | S-00-00265-5-AP | DISMISSED 2-23-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| HANKS, NATHAN | \$3,922.00 | 11-14-00 | S-00-00210-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 2,941.50 |
| HARRAH'S OPERATING COMPANY, INC. B/C/ EMBASSY SUITES | \$4,370.72 | 11-7-00 | S-00-00180-5-ATS | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 1,500.00 |
| HERRIN, MANDY | \$1,643.00 | 11-17-00 | S-00-00233-5-AP | *SETTLED* Order Approving Compromise & Settlement entered 6-7-02 | \$ 150.00 |
| HOOKS, JEFF | \$106,892.28* | 11-20-00 | S-00-00248-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 10-11-01 | \$ 500.00 |

INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|--|--------------|------------|-----------------|--|--------------|
| HORNE CPA GROUP, A Professional Association d/b/a Home CPA Group, PLLC | \$8,264.00 | 11-20-00 | S-00-00252-5-AP | DEFAULT JUDGMENT 4-2-01 \$8,264.00 + costs | \$ 0.00 |
| HUKEZALIE, ROBERT | \$95,382.32 | 11-20-00 | S-00-00259-5-AP | DISMISSED 2-16-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| IMAGE ASSOCIATES, INC. | \$39,745.32 | 11-8-00 | S-00-00184-5-AP | SETTLE for \$10,000 over 6 months, May-Oct. \$1,666.00 received 4-30-01 \$1,666.00 paid 6-4-01 \$1,666.00 paid 7-2-01 \$1,666.00 paid 8-1-01 \$1,600.00 paid 12-31-01 \$1,600.00 paid 1-31-02 Order Approving Compromise & Settlement entered 6-10-02 | \$ 10,000.00 |
| INTERWEST TRANSFER COMPANY, INC. | \$6,284.15 | 11-13-00 | S-00-00198-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 2,101.65 |
| JEWELS BY EVONNE, INC. | \$76,477.00* | 11-17-00 | S-00-00230-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 7,500.00 |
| KENCO COMPANY and KENCO OF SOUTH FLORIDA, INC. | \$1,738.23 | 11-20-00 | S-00-00244-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 6-25-01 | \$ 1,000.00 |
| KINKO'S, INC. | \$11,537.64 | 11-14-00 | S-00-00211-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 6,500.00 |
| KRAGH, INC., JOHN | \$3,000.00 | 11-17-00 | S-00-00240-5-AP | DEFAULT JUDGMENT 5-9-01 \$3,000.00 + costs | \$ 0.00 |
| LARKIN INVESTMENTS, LTD. | \$3,604.00 | 11-22-00 | S-00-00267-5-AP | *DISMISSED 8-13-01* Order Approving Compromise & Settlement by Dismissal entered 10-11-01 | \$ 0.00 |
| LEAFROG MARKETING, INC. d/b/a NUNEZ COMMUNICATIONS, INC. | \$124,732.84 | 11-21-00 | S-00-00262-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 12-6-01 | \$ 30,000.00 |

INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|---|----------------|------------|------------------|---|--------------|
| MAGNESS, LESLIE | \$1,113.00 | 11-17-00 | S-00-00236-5-AP | DEFAULT JUDGMENT 4-2-01 *Judgment Satisfied* POC sent | \$ 200.00 |
| MASTOLONI, FRANK & SONS, INC. | \$21,127.39 | 11-8-00 | S-00-00189-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 6,500.00 |
| MODERN HEALTH STRATEGIES, LLC | \$192,909.00 | 11-20-00 | S-00-00254-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 25,000.00 |
| NEW ORLEANS TOURS, INC. | \$2,620.00 | 11-8-00 | S-00-00186-5-AP | JUDGMENT entered 5-31-01 for \$2,620.00 + 6.241% int. from 11-8-00 | \$ 0.00 |
| NIAGARA FRONTIER TRAVEL SERVICES, INC. | \$174,480.34 | 11-13-00 | S-00-00199-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 10-11-01 | \$ 25,000.00 |
| PACTIV CORPORATION, d/b/a TENNECO PACKAGING, INC. and TENNECO PACKAGING SPECIALTY AND CONSUMER PRODUCTS, INC. | \$3,921.89 | 11-20-00 | S-00-00256-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 1,960.94 |
| PIZZAZZ TEAM, INC. | \$3,604.00 | 11-13-00 | S-00-00203-5-ATS | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 2,703.00 |
| PRINTING PLUS, INC. | \$1,467,838.03 | 11-13-00 | S-00-00196-5-AP | SETTLED Order Approving Compromise & Settlement entered 3-28-03 | \$ 20,000.00 |
| PRUITT, MARK | \$1,548.76 | 11-17-00 | S-00-00234-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 200.00 |
| PUROLATOR COURIER, LTD. | \$45,000.00 | 11-20-00 | S-00-00241-5-AP | DISMISSED 2-23-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| QUALITY BUILDERS, INC. OF RALEIGH | \$9,158.00 | 11-13-00 | S-00-00201-5-AP | *SETTLED* POC sent (Funds deposited in N&C Trust Acct. 2-6-01, funds sent to Trustee 2-20-01) Order Approving Compromise & Settlement entered 3-19-01 | \$ 5,500.00 |

INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|--|-------------------------------|------------|-----------------|--|--------------|
| RICK, FREDDIE | \$10,000.00 | 11-22-00 | S-00-00268-5-AP | DISMISSED 1-26-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| ROBERT HALF INTERNATIONAL, INC. | \$3,562.88 | 11-15-00 | S-00-00218-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 6-25-01 | \$ 4,200.00 |
| RUDD, III - O. KENNETH | \$402,640.16 | 11-17-00 | S-00-00232-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 750.00 |
| RUSSO, MICHAEL | \$39,020.46 | 11-22-00 | S-00-00269-5-AP | DISMISSED 1-9-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| SABATES, TRACEY | \$8,020.48 | 11-20-00 | S-00-00257-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 500.00 |
| SAVAGE, CLAUDE | \$23,679.19 & \$524,360.22 | 11-16-00 | S-00-00226-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 1,500.00 |
| SAVAGE, JR. - CLAUDE | \$4,039.10* | 11-20-00 | S-00-00249-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 500.00 |
| SENO, MICHAEL d/b/a DIMMOCK HILL GOLF COURSE | \$481,166.40 | 11-13-00 | S-00-00205-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 12-6-01 | \$ 4,000.00 |
| SHERATON OPERATING CORPORATION d/b/a SHERATON NEW ORLEANS HOTEL | \$18,068.14 | 11-13-00 | S-00-00197-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 10,000.00 |
| SHUSTAK, JALIL & HELLER, P.C. | \$3,697.70 | 11-8-00 | S-00-00187-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 1,375.00 |

INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|---|---------------|------------|-----------------|--|-------------|
| LARRY SMITH, individually, and doing business as ALPHA CONSULTANTS/LLD, and doing business as RED SUNSET MANAGEMENT, and doing business as OMEGA LEASING, and RYAN SMITH, individually, and doing business as RED SUNSET MANAGEMENT | \$388,927.85* | 11-15-00 | S-00-00219-5-AP | DEFAULT JUDGMENT 4-5-01 \$388,927.85 from Larry Smith \$24,598.20 from Ryan Smith + costs | \$ 0.00 |
| TANNERY ENTERPRISES, INC. f/k/a INFOSFOR, INC. | \$1,700.63 | 11-8-00 | S-00-00185-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 1,000.00 |
| TARVER, VAUGHN | \$10,000.00 | 11-20-00 | S-00-00258-5-AP | NOTICE OF VOLUNTARY DISMISSAL WITHOUT PREJUDICE filed 3-13-01 Order Approving Compromise & Settlement by Dismissal entered 5-4-01 | \$ 0.00 |
| TONER SOLUTIONS, INC. | \$4,761.93 | 11-7-00 | S-00-00177-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 1,576.06 |
| TOWNING, HERBERT <i>Watch sold to Reliable Jewelry & Loan for \$6,000</i> | \$16,389.00 | 11-20-00 | S-00-00246-5-AP | rolex watch given to Brent Wood per 2-5-01 memo Order Approving Compromise & Settlement entered 8-10-01 Rolex watch received by SWH 9-12-01 and delivered to Trustee | \$ 6,000.00 |
| TRAVEL EXPERTS, INC. | \$8,820.60 | 11-7-00 | S-00-00182-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 4,000.00 |
| TYRA INTERNATIONAL, INC. | \$175,000.00 | 11-15-00 | S-00-00217-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 4-26-02 | \$ 500.00 |
| UPS CUSTOMHOUSE BROKERAGE, INC. | \$6,986.13 | 11-20-00 | S-00-00251-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 8-10-01 | \$ 5,239.60 |
| US OFFICE PRODUCTS, CAROLINAS DISTRICT INC. f/k/a Carolina Equipment Company f/k/a Raleigh Office Supply | \$3,108.77 | 11-7-00 | S-00-00175-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 2,331.57 |

INTERNATIONAL HERITAGE, INC. - ADVERSARY PROCEEDINGS (printed on October 29, 2009)

| Name | Amount | Date Filed | Case No. | Comments | Paid |
|---|-------------|------------|-----------------|--|---------------|
| VERTEX, INC. | \$13,694.25 | 11-15-00 | S-00-00223-5-AP | DEFAULT JUDGMENT 4-2-01 *Judgment Satisfied* POC sent Order Approving Compromise & Settlement entered 10-11-01 | \$ 7,500.00 |
| WACHOVIA CORPORATION and WACHOVIA CORPORATION OF NORTH CAROLINA | \$4,936.64* | 11-20-00 | S-00-00260-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 6-25-01 | \$ 3,200.00 |
| WEI SABRINA d/b/a Eternal Flame | \$19,437.00 | 11-17-00 | S-00-00239-5-AP | DEFAULT JUDGMENT 4-2-01 \$19,437.65 + costs | \$ 0.00 |
| WIN CAPITAL CORP. | \$69,919.45 | 11-14-00 | S-00-00212-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 8-10-01 | \$ 2,750.00 |
| Wood & Francis, PLLC and Brent Wood | --- | --- | --- | *SETTLED* Order Approving Compromise & Settlement entered 4-21-04 | \$ 3,500.00 |
| WWF PAPER CORPORATION d/b/a WWF NEW YORK DIRECT | \$25,000.00 | 11-8-00 | S-00-00188-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 3-19-01 | \$ 18,750.00 |
| XPEDITE SYSTEMS, INC. | \$33,854.34 | 11-20-00 | S-00-00242-5-AP | *SETTLED* POC sent Order Approving Compromise & Settlement entered 5-3-01 | \$ 16,536.30 |
| | | | | | \$ 410,908.66 |

| DATE | ITEMS | FOL. | DEBITS | CREDITS | BALANCE | RATING | NAME | ADDRESS | TERMS | CREDIT LIMIT | INDIVIDUAL | BUSINESS |
|----------|--|------|--------|---------|---------|--------|-----------------|---------|-------|--------------|------------|----------|
| 12-11-02 | Deposit V#7195 | | | 13000 | 13000 | | Holmes & Staden | 13000 | | | | |
| 1-25-02 | Holmes & Staden Trade #8440 | | 13000 | | 0 | | Holmes & Staden | | | | | |
| 12-19-01 | Deposit V#6339 | | | 50000 | 50000 | | Holmes & Staden | | | | | |
| 1-25-02 | Holmes & Staden Trade #8439 | | 50000 | | 0 | | Holmes & Staden | | | | | |
| 12-14-02 | Deposit V#7288 | | | 15000 | 15000 | | Holmes & Staden | | | | | |
| 1-14-02 | Holmes & Staden Trade #8469 | | 15000 | | 0 | | Holmes & Staden | | | | | |
| 12-24-01 | Deposit V#7283 | | | 2000 | 2000 | | Holmes & Staden | | | | | |
| 1-14-02 | Holmes & Staden Trade #7985 | | 2000 | | 0 | | Holmes & Staden | | | | | |
| 12-20-01 | Deposit V#1034 (Quality Bldg of Raleigh) | | | 5500 | 5500 | | Holmes & Staden | | | | | |
| 1-20-02 | Holmes & Staden Trade #7255 | | 5500 | | 0 | | Holmes & Staden | | | | | |
| 12-20-01 | Deposit V#80105793 | | | 15000 | 15000 | | Holmes & Staden | | | | | |
| 1-16-02 | Holmes & Staden Trade #7904 | | 15000 | | 0 | | Holmes & Staden | | | | | |
| 12-20-01 | Deposit V#32310 | | | 200376 | 200376 | | Holmes & Staden | | | | | |
| 1-21-02 | Holmes & Staden Trade #7914 | | 200376 | | 0 | | Holmes & Staden | | | | | |
| 12-21-02 | Deposit V#7644 | | | 10000 | 10000 | | Holmes & Staden | | | | | |
| 1-21-02 | Holmes & Staden Trade #7644 | | 10000 | | 0 | | Holmes & Staden | | | | | |

FORM 1

Page: 1

INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT

ASSET CASES

Case No: 98-02675-5-JRL Judge: JRL
Case Name: INTERNATIONAL HERITAGE INC.
For Period Ending: 12/02/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Date Filed (f) or Converted (c): 11/25/98 (f)
341(a) Meeting Date: 12/30/98
Claims Bar Date: 03/30/99

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|------------------------------------|--|---|---|---|----------------|------------------|
| Asset Description (Scheduled and Unscheduled (u) Property) | Petition/ Unscheduled Values | Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs) | Property Abandoned OA=554(a) DA=554(c) | Sale/Funds Received by the Estate | Asset Fully Administered (FA)/ Gross Value of Remaining Assets | Lien Amount | Exempt Amount |
| 1. Accounts Receivable Funds from Brent Wood's special account. Mr. Wood said funds were from credit card processes and a small liquidation of assets on Wicker Drive. | 1,118,244.40 | 12,019.61 | | 12,019.61 | FA | 0.00 | 0.00 |
| 2. Funds in Bank Account Centura Bank CD Acct #0219785949 to close | 216,573.65 | 26,559.96 | | 26,436.99 | FA | 0.00 | 0.00 |
| 3. Refunds-Income Tax | 38,497.93 | 737.49 | | 737.49 | FA | 0.00 | 0.00 |
| 4. Payment on Judgment for Embezzlement | 250,000.00 | 8,886.68 | | 8,886.68 | FA | 0.00 | 0.00 |
| 5. Refunds-Other (u) | Unknown | 7,061.99 | | 7,061.99 | FA | 0.00 | 0.00 |
| 6. Golf logo | Unknown | 500.00 | | 500.00 | FA | 0.00 | 0.00 |
| 7. Merchant Bankcard refunds | Unknown | 955.93 | | 955.93 | FA | 0.00 | 0.00 |
| 8. Auction Proceeds | 108,795.11 | 22,635.00 | | 22,635.00 | FA | 0.00 | 0.00 |
| Sale of remaining inventory and equipment; Notice of proposed public sale filed 1/15/99 and 4/29/99 | | | | | | | |
| 9. Sale of database list listed on schedules as patents | 100,000.00 | 15,000.00 | | 15,000.00 | FA | 0.00 | 0.00 |
| Notice of private sale filed 2/17/99, order approving sale entered 3/30/99 | Unknown | 7,500.00 | | 7,500.00 | FA | 0.00 | 0.00 |
| 10. Cash Bonds 98CV011169 | 0.00 | 465,831.67 | | 465,739.96 | FA | 0.00 | 0.00 |
| 11. Post-Petition Interest Deposits (u) | 6,000.00 | 7,292.15 | | 7,292.15 | FA | 0.00 | 0.00 |
| 12. Postage Refund Postage Meter refund- See exhibit B26 | 1,000,000.00 | 1,787,500.00 | | 1,787,500.00 | FA | 0.00 | 0.00 |
| 13. Executive Risk Settlement Order entered 9/27/99 | 5,000,000.00 | 4,315,308.30 | | 4,315,308.30 | FA | 0.00 | 0.00 |
| 14. SEC Settlement Per order entered 7/22/99 | 0.00 | 488,884.27 | | 488,884.27 | FA | 0.00 | 0.00 |
| 15. Preference Payments (u) See attached exhibit chart; Stephani Humnickhouse collected AP'S and preference demand letters were sent | | | | | | | |

EXHIBIT

tabbles

B

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LEFORM1EX

FORM 1

INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT

Page: 2

ASSET CASES

Case No: 98-02675-5-JRL Judge: JRL
Case Name: INTERNATIONAL HERITAGE INC.

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Date Filed (f) or Converted (c): 11/25/98 (f)
341(e) Meeting Date: 12/30/98
Claims Bar Date: 03/30/99

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|------------------------------------|--|---|---|--|----------------|------------------|
| Asset Description (Scheduled and Unscheduled (u) Property) | Petition/ Unscheduled Values | Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs) | Property Abandoned OA=554(s) DA=554(c) | Sale/Funds Received by the Estate | Asset Fully Administered (FA) Gross Value of Remaining Assets | Lien Amount | Exempt Amount |
| prior to filing AP's for preferences and fraudulent transfers; AP against Herbert Towing is included in spreadsheet and rolex watch was turned over to trustee in lieu of AP, sold to Reliable Loan & Jewelry per notice of sale filed 12/4/01 for \$6,000 and is noted on Form II | | | | | | | |
| 16. Collection of Duke Realty Rent (u) | Unknown | 6,000.00 | | 6,000.00 | FA | 0.00 | 0.00 |
| Collection of Duke Realty Rent related to collection of preferences | Unknown | 60,000.00 | | 60,000.00 | FA | 0.00 | 0.00 |
| 37. Erie Insurance Settlement Per order entered 3/12/03 | 0.00 | 17,332.99 | | 17,332.99 | FA | 0.00 | 0.00 |
| 38. Kacia Peterson Judgment Paid off in full on 11/1/04; Listed on Exhibit B20 in petition as having combined petition value of \$250,000 | | | | | | | |

TOTALS (Excluding Unknown Values)

\$7,838,111.09

\$7,250,006.04

\$7,249,791.36

\$0.00

\$0.00

\$0.00

Gross Value of Remaining Assets
(Total Dollar Amount in Column 6)

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

Trustee is working on final report and proposed distribution and will have closing packet to BA for approval in August, 2010. The balance on hand as of 7/30/10 is \$1,616,180.25 per form II filed with the court on 7/30/10.
Order waiving attachments of documents entered 11/16/10.

Initial Projected Date of Final Report (TFR): 12/30/01

Current Projected Date of Final Report (TFR): 11/30/10

/s/ HOLMES P. HARDEN, TRUSTEE

Date: 12/02/10

LFORM1EX

Case No: 98-02675-5-JRL Judge: JRL
Case Name: INTERNATIONAL HERITAGE INC.

HOLMES P. HARDEN, TRUSTEE

FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

| | |
|----------------------------------|---------------------------|
| Trustee Name: | HOLMES P. HARDEN, TRUSTEE |
| Date Filed (f) or Converted (c): | 11/25/98 (f) |
| 341(a) Meeting Date: | 12/30/98 |
| Claims Bar Date: | 03/30/99 |

FORM 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
 Case Name: INTERNATIONAL HERITAGE INC.
 Taxpayer ID No: 87-0421191
 For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
 Bank Name: BANK OF AMERICA
 Account Number / CD #: *****6518 Money Market - Interest Bearing
 Blanket Bond (per case limit):
 Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|-----------------------------|----------------------------|--------------------|---------------|--------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| 07/30/10 | 11 | BANK OF AMERICA | BALANCE FORWARD | 1270-000 | 2.30 | | 57,851.98 |
| 07/30/10 | | Transfer to Acct #*****3851 | INTEREST REC'D FROM BANK | 9999-000 | | 57,854.28 | 57,854.28 |
| | | | Final Posting Transfer | | | | 0.00 |

COLUMN TOTALS
 Less: Bank Transfers/CD's 2.30 57,854.28 0.00
 Subtotal 2.30 57,854.28 0.00
 Less: Payments to Debtors 0.00
 Net 2.30 57,854.28 0.00

FORM 2

Page: 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
Case Name: INTERNATIONAL HERITAGE INC.
Taxpayer ID No: 87-0421191
For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****6521 Checking - Non Interest

Blanket Bond (per case limit):
Separate Bond (if applicable): \$ 1,678,500.00

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| 1 | 2 | 3 | 4 | | 5 | 6 | 7 |
|------------------|--------------------|-------------------------------|----------------------------|--------------------|---------------|--------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| 07/20/10 | 001310 | Transfer from Acct #*****6819 | BALANCE FORWARD | 9999-000 | 1,535.27 | | 1,535.27 |
| 07/20/10 | | AT&T | Bank Funds Transfer | 2990-000 | | 113.32 | 1,421.95 |
| 07/20/10 | 001311 | AT&T | 919 876-2161 450 0364 | 2990-000 | | 126.36 | 1,295.59 |
| 07/20/10 | 001312 | AT&T | Telephone Service | 2990-000 | | 65.59 | 1,230.00 |
| 07/20/10 | 001313 | Cathy Johnson | 020 713 6257 001 | 2990-000 | | 1,230.00 | 0.00 |
| | | 500 W. Harnett Street | Telephone Service | | | | |
| | | Benson, NC 27504 | Temporary Service | | | | |
| 07/26/10 | | Transfer from Acct #*****6819 | 82 hours @ \$15 | | | | |
| 07/26/10 | 001314 | AT&T | 6/21/10 through 7/19/10 | 9999-000 | 160.30 | | 160.30 |
| | | | Bank Funds Transfer | 2990-000 | | 160.30 | 0.00 |
| | | | Telephone Service | | | | |
| | | | 919 790-0128 010 0363 | | | | |

COLUMN TOTALS

| | | | |
|---------------------------|----------|----------|------|
| Less: Bank Transfers/CD's | 1,695.57 | 1,695.57 | 0.00 |
| Subtotal | 0.00 | 1,695.57 | |
| Less: Payments to Debtors | | 0.00 | |
| Net | 0.00 | 1,695.57 | |

Page Subtotals

1,695.57

1,695.57

FORM 2

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
 Case Name: INTERNATIONAL HERITAGE INC.
 Taxpayer ID No: 87-0421191
 For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
 Bank Name: BANK OF AMERICA
 Account Number / CD #: *****6534 Money Market - Interest Bearing

Blanket Bond (per case limit):
 Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|-------------------------------|------------------------------|--------------------|---------------|--------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| * 07/30/10 | 11 | BANK OF AMERICA | BALANCE FORWARD | 1270-003 | 0.50 | | 21,069.36 |
| * 07/30/10 | 11 | Reverses Interest on 07/30/10 | INTEREST REC'D FROM BANK | 1270-003 | -0.50 | | 21,069.36 |
| 07/30/10 | 11 | BANK OF AMERICA | INTEREST REC'D FROM BANK | 1270-000 | 0.50 | | 21,069.86 |
| 07/30/10 | | Transfer to Acct #*****3851 | Transfer In From MMA Account | 9999-000 | | 21,069.86 | 0.00 |

| | | | | |
|---------------------------|--|------|-----------|------|
| COLUMN TOTALS | | 0.50 | 21,069.86 | 0.00 |
| Less: Bank Transfers/CD's | | 0.00 | 21,069.86 | |
| Subtotal | | 0.50 | 0.00 | |
| Less: Payments to Debtors | | | 0.00 | |
| Net | | 0.50 | 0.00 | |

Page Subtotals 0.50 21,069.86

FORM 2

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
 Case Name: INTERNATIONAL HERITAGE INC.
 Taxpayer ID No: 87-0421191
 For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
 Bank Name: BANK OF AMERICA
 Account Number / CD #: *****6819 Money Market - Interest Bearing

Blanket Bond (per case limit):
 Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | | 5 | 6 | 7 |
|------------------|--------------------|-----------------------------|------------------------------|--------------------|---------------|--------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| 07/20/10 | | Transfer to Acct #*****6521 | BALANCE FORWARD | 9999-000 | | 1,535.27 | 977,308.34 |
| 07/26/10 | | Transfer to Acct #*****6521 | Bank Funds Transfer | 9999-000 | | 160.30 | 975,773.07 |
| 07/30/10 | 11 | BANK OF AMERICA | INTEREST REC'D FROM BANK | 1270-000 | 54.32 | | 975,612.77 |
| 07/30/10 | | Transfer to Acct #*****3851 | Transfer In From MMA Account | 9999-000 | | 975,667.09 | 975,667.09 |
| | | | | | | | 0.00 |

COLUMN TOTALS
 Less: Bank Transfers/CD's 54.32 977,362.66 0.00
 Subtotal 54.32 0.00
 Less: Payments to Debtors 54.32 0.00
 Net 54.32 0.00

Page Subtotals 54.32 977,362.66

**FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Page: 5

Case No: 98-02675-5-JRL
 Case Name: INTERNATIONAL HERITAGE INC.
 Taxpayer ID No: 87-0421191
 For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
 Bank Name: BANK OF AMERICA
 Account Number / CD #: *****6835 Checking - Non Interest

Blanket Bond (per case limit):
 Separate Bond (if applicable): \$ 1,678,500.00

| 1 Transaction Date | 2 Check or Reference | 3 Paid To / Received From | 4 Description Of Transaction | 5 Uniform Tran. Code | 6 Deposits (\$) | 7 Disbursements (\$) | 8 Account / CD Balance (\$) |
|--------------------------|----------------------------|------------------------------|---------------------------------|----------------------------|--------------------|-------------------------|-----------------------------------|
| | | | BALANCE FORWARD | | | | 0.00 |

| | | | |
|---------------------------|------|------|------|
| COLUMN TOTALS | 0.00 | 0.00 | 0.00 |
| Less: Bank Transfers/CD's | 0.00 | | 0.00 |
| Subtotal | 0.00 | | 0.00 |
| Less: Payments to Debtors | | | 0.00 |
| Net | 0.00 | | 0.00 |

Page Subtotals

0.00

0.00

FORM 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

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Case No: 98-02675-5-JRL
Case Name: INTERNATIONAL HERITAGE INC.

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****6848 Money Market - Interest Bearing

Taxpayer ID No: 87-0421191
For Period Ending: 12/03/10

Blanket Bond (per case limit):
Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|--|---|----------------------|---------------|--------------------|--------------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| 07/30/10 | 11 | BANK OF AMERICA Transfer to Acct #*****3851 | BALANCE FORWARD INTEREST REC'D FROM BANK Transfer In From MMA Account | 1270-000 9999-000 | 0.90 | 37,644.09 | 37,643.19 37,644.09 0.00 |

COLUMN TOTALS
Less: Bank Transfers/CD's 0.90 37,644.09 0.00
Subtotal 0.90 0.00
Less: Payments to Debtors 0.00
Net 0.90 0.00

Page Subtotals

0.90

37,644.09

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
Case Name: INTERNATIONAL HERITAGE INC.
Taxpayer ID No: 87-0421191
For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****7313 Money Market - Interest Bearing
Blanket Bond (per case limit):
Separate Bond (if applicable): \$ 1,678,500.00

| 1 Transaction Date | 2 Check or Reference | 3 Paid To / Received From | 4 Description Of Transaction | 5 Uniform Tran. Code | 6 Deposits (\$) | 7 Disbursements (\$) | 8 Account / CD Balance (\$) |
|--------------------------|----------------------------|------------------------------|--|----------------------------|--------------------|-------------------------|-----------------------------------|
| 07/08/10 | 11 | BANK OF AMERICA | BALANCE FORWARD INTEREST REC'D FROM BANK Deposit #95 reversed to link to interest. | 1270-000 | 573.44 | | 518,338.46 |
| * 07/08/10 | | Reverses Deposit # 95 | Should have posted to interest for compensable interest. INTEREST REC'D FROM BANK | | -573.44 | | 518,338.46 |
| 07/30/10 | 11 | BANK OF AMERICA | Transfer In From MMA Account | 1270-000 | 28.83 | 518,367.29 | 518,367.29 |
| 07/30/10 | | Transfer to Acct #*****3851 | | 9999-000 | | | 0.00 |

COLUMN TOTALS

| | | | |
|---------------------------|-------|------------|------|
| Less: Bank Transfers/CD's | 28.83 | 518,367.29 | 0.00 |
| Subtotal | 0.00 | 518,367.29 | |
| Less: Payments to Debtors | 28.83 | | 0.00 |
| Net | 0.00 | | 0.00 |

Page Subtotals

28.83

518,367.29

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

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Case No: 98-02675-5-JRL
Case Name: INTERNATIONAL HERITAGE INC.

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****7410 Money Market - Interest Bearing

Taxpayer ID No: 87-0421191
For Period Ending: 12/03/10

Blanket Bond (per case limit):
Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|-----------------------------|------------------------------|---------------------|---------------|--------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Trans. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| 07/30/10 | 11 | BANK OF AMERICA | BALANCE FORWARD | 1270-000 | 0.13 | 5,577.51 | 5,577.51 |
| 07/30/10 | | Transfer to Acct #*****3851 | INTEREST REC'D FROM BANK | 9999-000 | | 5,577.64 | 5,577.64 |
| | | | Transfer In From MMA Account | | | 0.00 | 0.00 |

COLUMN TOTALS

| | | | |
|---------------------------|------|----------|------|
| Less: Bank Transfers/CD's | 0.13 | 5,577.64 | 0.00 |
| Subtotal | 0.00 | 5,577.64 | 0.00 |
| Less: Payments to Debtors | 0.13 | | 0.00 |
| Net | 0.13 | | 0.00 |

Page Subtotals

0.13

5,577.64

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
 Case Name: INTERNATIONAL HERITAGE INC.
 Taxpayer ID No: 87-0421191
 For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
 Bank Name: BANK OF AMERICA
 Account Number / CD #: *****9728 Checking - Non Interest

Blanket Bond (per case limit):
 Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|-------------------------|----------------------------|--------------------|---------------|--------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| | | | BALANCE FORWARD | | | | 0.00 |

COLUMN TOTALS

| | | | |
|---------------------------|------|------|------|
| Less: Bank Transfers/CD's | 0.00 | 0.00 | 0.00 |
| Subtotal | 0.00 | 0.00 | 0.00 |
| Less: Payments to Debtors | | | 0.00 |
| Net | 0.00 | | 0.00 |

Page Subtotals

0.00

0.00

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| | |
|------------------------|---|
| Trustee Name: | HOLMES P. HARDEN, TRUSTEE |
| Bank Name: | BANK OF AMERICA |
| Account Number / CD #: | *****3851 Money Market - Interest Bearing |

| | |
|--------------|--------------|
| 7 | |
| Account / CD | |
| Balance (\$) | |
| 0.00 | 5,577.64 |
| | 26,647.50 |
| | 64,291.59 |
| | 122,145.87 |
| | 640,513.16 |
| | 1,616,180.25 |
| | 1,616,110.25 |
| | |
| | 1,615,581.50 |
| | |
| | 1,615,382.99 |
| | |
| | 1,615,283.87 |
| | |
| | 1,615,184.75 |
| | |
| | 1,614,944.60 |

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
Case Name: INTERNATIONAL HERITAGE INC.

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****3851 Money Market - Interest Bearing

Taxpayer ID No: 87-0421191
For Period Ending: 12/03/10

Blanket Bond (per case limit):
Separate Bond (if applicable): \$ 1,678,500.00

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| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|---|--|--------------------|---------------|--------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| 08/10/10 | 001007 | AT&T P. O. Box 105068 Atlanta, GA 30348-5068 | 3 months local service @ \$80.05 per month on # 919 790-0128 Telephone Service Acct no. 919 876-2161 450 0364 3 months prepaid local service @\$56.80 per month on # 919 876-2161 | 2990-000 | | 170.40 | 1,614,774.20 |
| 08/10/10 | 001008 | Nicholls & Crampton P. O. Box 18237 Raleigh, NC 27619 | Attorney's fees (other firm) Balance due on attorney fees Expenses overpaid on order dated 6/5/02 and fees and expenses not paid per order entered 9/18/02. Total due to Nicholls & Crampton per all orders entered. | 3210-000 | | 615.61 | 1,614,158.59 |
| 08/25/10 | 11 | BANK OF AMERICA P. O. Box 5110, MAC N9777-016 Sioux Falls, SD 57117-5110 | INTEREST REC'D FROM BANK Interest from 7/30/10-8/25/10 posted PREFERENCE SETTLEMENT Settlement of AP filed against Wachovia Bank and upon final found funds had not been collected | 1270-000 | 5.53 | | 1,614,164.12 |
| 08/30/10 | 15 | Wells Fargo Bank, NA P. O. Box 5110, MAC N9777-016 Sioux Falls, SD 57117-5110 | INTEREST REC'D FROM BANK Interest Rate 0.090 | 1241-000 | 3,200.00 | | 1,617,364.12 |
| 08/31/10 | 11 | BANK OF AMERICA | | 1270-000 | 27.86 | | 1,617,391.98 |
| 09/13/10 | 11 | BANK OF AMERICA | | 1270-000 | 47.84 | | 1,617,439.82 |
| 09/13/10 | | Transfer to Acct #*****3916 | Final Posting Transfer | 9999-000 | | 1,617,439.82 | 0.00 |

COLUMN TOTALS
Less: Bank Transfers/CD's 1,619,461.48 1,619,461.48 0.00
Subtotal 1,616,180.25 1,617,439.82
Less: Payments to Debtors 3,281.23 2,021.66
Net 3,281.23 2,021.66

Page Subtotals

3,281.23

1,618,225.83

Ver: 16.01a

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
Case Name: INTERNATIONAL HERITAGE INC.
Taxpayer ID No: 87-0421191
For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****3916 Checking - Non Interest

Blanket Bond (per case limit):
Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|--|---|----------------------|---------------|--------------------|------------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| 09/13/10 | | | BALANCE FORWARD | | | | 0.00 |
| 10/06/10 | 001001 | Transfer from Acct #*****3851 International Sureties, Ltd. 701 Poydras Street, Ste. 420 New Orleans, LA 70139 | Transfer In From MMA Account Trustee Bond Bond #016028131 | 9999-000 2300-000 | 1,617,439.82 | 2,078.50 | 1,617,439.82 1,615,361.32 |
| 11/22/10 | 5 | AT&T | REFUNDS-OTHER other refunds Acct #0563321488001 prepaid telephone service for 3 months in August, 2010. AT&T refunded \$33.53 on this account. | 2990-000 | 33.53 | | 1,615,394.85 |

COLUMN TOTALS

Less: Bank Transfers/CD's

Subtotal

Less: Payments to Debtors

Net

TOTAL - ALL ACCOUNTS

| | | | |
|---|----------|----------|--------------|
| Money Market - Interest Bearing - *****6518 | 2.30 | 0.00 | 0.00 |
| Checking - Non Interest - *****6521 | 0.00 | 1,695.57 | 0.00 |
| Money Market - Interest Bearing - *****6534 | 0.50 | 0.00 | 0.00 |
| Money Market - Interest Bearing - *****6819 | 54.32 | 0.00 | 0.00 |
| Checking - Non Interest - *****6835 | 0.00 | 0.00 | 0.00 |
| Money Market - Interest Bearing - *****6848 | 0.90 | 0.00 | 0.00 |
| Money Market - Interest Bearing - *****7313 | 28.83 | 0.00 | 0.00 |
| Money Market - Interest Bearing - *****7410 | 0.13 | 0.00 | 0.00 |
| Checking - Non Interest - *****9728 | 0.00 | 0.00 | 0.00 |
| Money Market - Interest Bearing - *****3851 | 3,281.23 | 2,021.66 | 0.00 |
| Checking - Non Interest - *****3916 | 33.53 | 2,078.50 | 0.00 |
| | 3,401.74 | 5,795.73 | 1,615,394.85 |

Page Subtotals

1,617,473.35

2,078.50

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ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 98-02675-5-JRL
Case Name: INTERNATIONAL HERITAGE INC.
Taxpayer ID No: 87-0421191
For Period Ending: 12/03/10

Trustee Name: HOLMES P. HARDEN, TRUSTEE
Bank Name: BANK OF AMERICA
Account Number / CD #: *****3916 Checking - Non Interest
Blanket Bond (per case limit):
Separate Bond (if applicable): \$ 1,678,500.00

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|------------------|--------------------|-------------------------|----------------------------|------------------------------|---------------|--------------------------------|---------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description Of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account / CD Balance (\$) |
| | | | | (Excludes Account Transfers) | | (Excludes Payments To Debtors) | Total Funds On Hand |

Trustee's Signature: /s/ HOLMES P. HARDEN, TRUSTEE
Date: 12/03/10
HOLMES P. HARDEN, TRUSTEE

Page Subtotals

0.00

0.00